



City of San Diego
CARL DEMAIO
CITY COUNCILMEMBER –DISTRICT 5

MEMORANDUM

DATE: July 13, 2011

TO: Honorable Assemblymember Martin Garrick, 74th District
Honorable Assemblymember Nathan Fletcher, 75th District
Honorable Assemblymember Toni Atkins, 76th District
Honorable Assemblymember Brian Jones, 77th District
Honorable Assemblymember Marty Block, 78th District
Honorable Assemblymember Ben Hueso, 79th District
Honorable Senator Joel Anderson, 36th District
Honorable Senator Mark Wyland, 38th District
Honorable Senator Christine Kehoe, 39th District
Honorable Senator Juan Vargas, 40th District

FROM: Councilmember Carl DeMaio *Carl DeMaio*

RE: Elimination of Service Authority for Freeway Emergencies (S.A.F.E)
Program & Return of Funds to Taxpayers

When a government program outlives its purpose, it is time to close that government program down. I am writing to ask each of you to consider sponsoring legislation to eliminate the poster-child of an unnecessary government program: S.A.F.E.

In 1986 the California state legislature passed a bill, authored by State Senator Bill Craven (R-Oceanside), which allowed the creation of local "Service Authorities for Freeway Emergencies" to establish call box systems across the state. These S.A.F.E.'s are stand-alone government agencies, with their own appointed board members, staff, and in many cases, little oversight.

The program is funded by a \$1 annual fee tacked on to vehicle registrations and assessed through the Department of Motor Vehicles. This fee generates an average of \$2.6 million per year in San Diego County alone.

While call boxes were a useful and well-intentioned program in 1986, before the widespread use of cellular phones, they have clearly outlived their purpose. In fact, San Diego County's S.A.F.E. is planning to remove half of all existing call boxes over the next three years.

In a clear effort to manufacture a justification for its continued existence, there have been millions of dollars spent on programs which do not fit the core purpose of S.A.F.E., such as "motorist aid of the future" grants, as well as thousands of dollars spent on travel and other expenses. Most recently, there have been concerns voiced about the inequitable distribution of S.A.F.E. funds amongst the County's multiple municipalities and agencies.

If there is any question as to whether this program is a responsible use of taxpayer dollars, you can look at the attached San Diego S.A.F.E. FY12 budget and seven-year fiscal plan to see multiple examples of why this program should be ended immediately. You will notice almost \$12 million in unallocated reserves, revenues which will continue to increase each year, more than \$400,000 paid annually to the company contracted to manage the call box program, and over \$580,000 required annually to maintain the aging call box system.

For these reasons, I am requesting that the members of the San Diego County delegation to the state legislature carry legislation which would eliminate this outdated and flawed program, and either, 1) return the money to vehicle registrants in the form of reimbursements, or 2) allow the funds to go directly to local governments to support a wide range of emergency response services for motorists. Taxpayers deserve better than to have a fee levied against them, no matter how small, only to have it go into a "black hole" of a program which is obsolete.

I would like to commend the work of my colleagues, Councilmembers Lorie Zapf and David Alvarez, for shining a light on S.A.F.E.'s wasteful spending and need for reform.

My office is eager to help move any legislation forward which will end the statewide S.A.F.E. program and return money to taxpayers. Please do not hesitate to contact my policy director, Brian Pepin, at (619) 236-6546, with any questions.

cc: San Diego S.A.F.E. Board of Directors
Honorable Members of the City Council
Honorable Mayor Jerry Sanders



SAN DIEGO SAFE

Proposed 2011/2012 SAFE Budget and Seven Year Fiscal Plan



FUND RESERVES	ACTUAL FY 09/10	EST FY 10/11	DRAFT FY 11/12	PROJECTED FY 12/13	PROJECTED FY 13/14	PROJECTED FY 14/15	PROJECTED FY 15/16	PROJECTED FY 16/17	PROJECTED FY 17/18	
Beginning TOTALS	12,194,940	12,731,367	13,343,946	12,590,134	10,795,976	10,559,646	10,975,629	10,904,169	11,334,100	11,271,759
REVENUES	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Vehicle Registrations	2,615,724	2,641,882	2,668,300	2,694,983	2,721,933	2,749,153	2,776,644	2,804,410	2,832,455	2,860,779
Interest Income	128,511	91,682	112,301	96,297	94,189	97,900	97,262	101,097	100,541	100,048
Collections and Others	58,911	40,000	36,000	32,400	29,160	21,870	10,000	10,000	10,000	10,000
TOTAL REVENUES	2,803,146	2,773,564	2,816,601	2,823,680	2,845,282	2,868,922	2,883,906	2,915,508	2,942,996	2,970,827
TOTAL RESERVES AND REVENUES	14,998,086	15,504,931	16,160,546	15,413,814	13,641,258	13,428,568	13,859,535	13,819,676	14,277,096	14,242,585
PROGRAM EXPENDITURES	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Administration										
Conferences and Travel	1,097	7,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Fixed Assets/Minor Equipment	0	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Services	3,351	4,000	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
SAFE Counsel	3,503	10,000	8,000	8,400	8,820	9,261	9,724	10,210	10,721	11,257
Supplies/Public Information	197	500	500	500	500	500	500	500	500	500
T-Cubed Management	399,937	405,536	410,565	415,656	420,810	426,028	431,311	436,659	442,073	447,555
TOTAL ADMINISTRATION COSTS	408,084	427,036	440,565	446,056	451,630	457,289	463,035	468,869	474,794	480,812
Operations	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Call Box Answer Center	45,310	60,000	53,661	53,484	53,677	54,250	55,217	68,300	70,476	73,196
Cellular Service	96,436	108,000	95,232	85,709	77,138	53,760	53,760	53,760	53,760	53,760
CHP	5,105	5,200	5,304	5,410	5,518	5,629	5,741	5,856	5,973	6,093
Insurance	24,024	24,030	25,231	26,493	27,817	29,208	30,669	32,202	33,812	35,503
Maintenance and Repairs	592,531	645,000	580,920	543,988	509,752	387,083	396,445	406,089	416,021	426,252
Telephone and Other	144	160	500	500	500	500	500	500	500	500
TOTAL OPERATIONS COSTS	763,549	842,390	760,848	715,583	674,402	530,430	542,332	566,707	580,543	595,303
Allocated Reserve for Projects	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Innovative Motorist Aid Service Programs	0	0	1,000,000	2,500,000	500,000	500,000	500,000	500,000	500,000	500,000
Mobile Call Box	173,148	217,000	175,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Call Answering System Upgrades	1,233	0	15,000							
Motorist Aide & Safety Projects	343,872	29,560	400,000		500,000		500,000		500,000	500,000
Regional Helicopter Funding	576,832	640,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
System Expansion/Reduction	0	5,000	29,000	6,200	5,580	15,220				
TOTAL PROJECT COSTS	1,095,086	891,560	2,369,000	3,456,200	1,955,580	1,465,220	1,950,000	1,450,000	1,950,000	1,950,000
TOTAL PROGRAM EXPENDITURES	2,266,719	2,160,985	3,570,413	4,617,839	3,081,612	2,452,939	2,955,366	2,485,576	3,005,337	3,026,115
CALL BOX REPLACEMENT RESERVES	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Call Box Replacement Reserves (cumulative)	758,940	753,940	724,940	718,740	713,160	697,940	697,940	697,940	697,940	697,940
UNALLOCATED RESERVES	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Unallocated Reserve	11,972,427	12,590,006	11,865,194	10,077,236	9,846,486	10,277,689	10,206,229	10,636,160	10,573,819	10,518,531
ACTIVE CALL BOXES	1,420	1,420	1,240	1,116	1,004	700	700	700	700	700